Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

November 1989

CONSUMERS REMAIN OPTIMISTIC

Consumers continue to be optimistic, both in their assessment of ongoing business conditions and in their expectations for the months ahead. The Conference Board's Confidence Index (1985 = 100) registered 116.4 in October, just about the same reading as for September. The sharp stock market decline in mid-October appears to have had little or no effect on consumers. Survey returns received after the precipitous drop in the Dow Jones average were about the same as those received prior to that event.

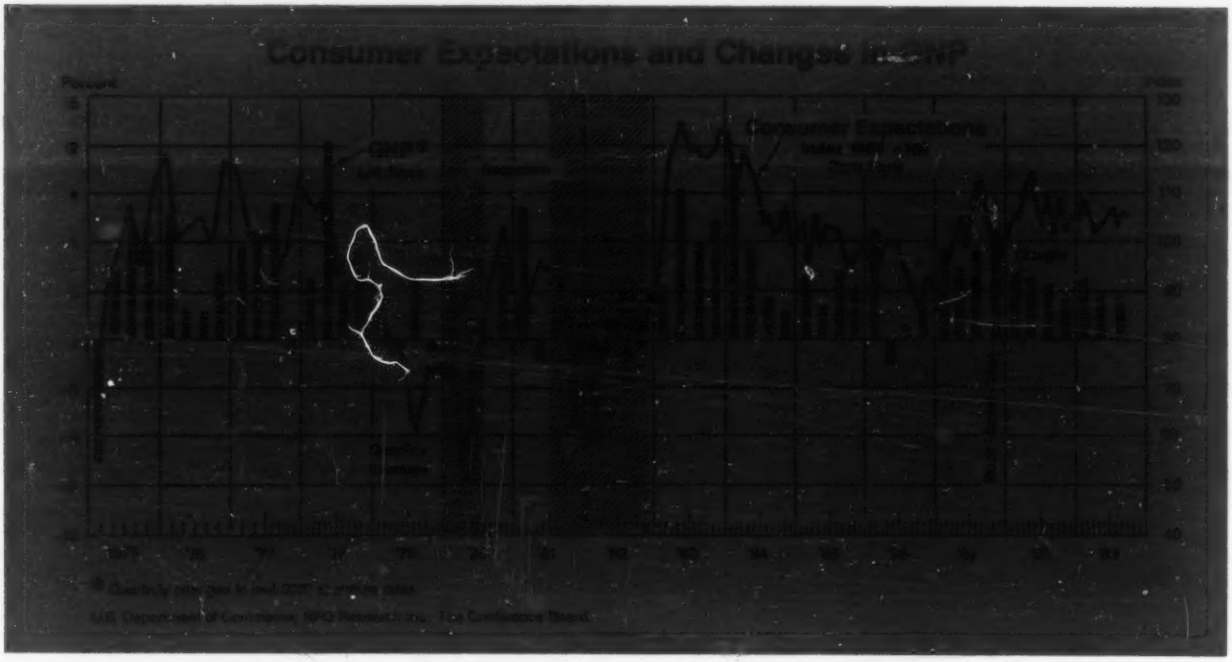
The public's assessment of the current business situation is marginally more favorable than a month earlier. Some 28% of all respondents say that business conditions are "good," only 17% believe that they are "bad." Similarly, on the issue of job availability there has been almost no change. Some 30% of all respondents report that jobs are "plentiful," 20% complain that jobs are "hard to get."

In looking ahead to the next six months, almost 20% of all respondents believe that business conditions will improve. Only 8% hold the reverse view. Again, on balance these figures are not much different than those reported a month earlier. On the issue of jobs six months hence, opinion also remains substantially unchanged. Some 17% of respondents believe more jobs will be available, 14% fear there will be fewer opportunities. There has also been little change in consumer expectations concerning their own personal income prospects.

Buying plans are mixed. Intentions to purchase an automobile were expressed by 6.7% of all respondents, a drop from 8.1% the month before. However, the month to month changes in this series are often affected by the timing of the automobile industry's promotional programs. Interest in major appliances was up in October after registering declines in the preceding two months. Plans to buy a home were expressed by 3.3% of survey participants, up from a prior 3.1%. This series had edged off moderately over the preceding two months.

Despite mixed statistical readings on how the economy is faring, consumers have remained optimistic since the beginning of the year. This sustained level of confidence can be attributed to the favorable circumstances which affect the consumer's day to day economic life. Unemployment remains at a relatively low level, making for a sense of job security, and the low inflation rate has kept purchasing power of the weekly paycheck reasonably unimpaired. These are the two major circumstances which affect the public's opinion of the economy. On both counts, prevailing circumstances continue to be comfortable.

Fabian Linden



Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business | Employment | Income

All series seasonally adjusted	1988 Oct	Nov	Dec	1989 Jan	Feb	Mar	Apr	May	June	July	Aug	Sep.(r)	Oct.(p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	116.9	112.9	119.4	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	116.4
Present Situation	128.3	129.1	140.1	133.4	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.1
Expectations	109.3	102.0	105.6	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	105.3
Appraisal of Present Situation: Percent													
Business Conditions													
Good	28.3	30.2	32.5	29.1	30.6	28.4	28.9	30.1	28.3	31.6	27.5	27.1	28.2
Bad	17.1	17.6	15.5	18.2	16.9	16.1	16.4	16.5	17.2	15.5	17.4	16.9	16.9
Normal	54.6	52.2	52.0	52.7	52.5	55.5	54.7	53.4	54.5	52.9	55.1	56.0	54.9
Employment													
Jobs plentiful	29.8	29.9	33.7	33.0	34.3	32.8	34.5	34.1	33.2	33.1	31.6	30.4	30.4
Jobs not so plentiful	47.2	47.1	45.5	45.8	45.8	46.7	45.7	44.8	46.4	47.6	48.1	48.9	49.4
Jobs hard to get	23.0	23.0	20.8	21.2	19.9	20.5	19.8	21.1	20.4	19.3	20.3	20.7	20.2
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	21.1	18.6	19.6	17.7	20.9	17.9	17.3	20.7	20.1	18.8	18.3	18.3	19.6
Worse	7.0	8.4	7.5	7.7	7.3	8.0	8.8	8.9	8.7	8.4	8.3	7.5	8.2
Same	71.9	73.0	72.9	74.6	71.8	74.1	73.9	70.4	71.2	72.8	73.4	74.2	72.2
Employment													
More jobs	18.6	15.9	17.2	17.1	17.0	15.9	15.4	18.9	17.9	18.6	17.2	17.4	16.9
Fewer jobs	13.2	14.7	14.4	14.5	12.8	12.7	13.1	15.6	14.2	13.2	14.3	13.8	13.8
Same	68.2	69.4	68.4	68.4	70.2	71.4	71.5	65.5	67.9	68.2	68.5	68.8	69.3
Income													
Increase	26.8	27.3	27.8	25.6	26.3	25.2	25.8	26.5	27.0	27.3	26.1	28.5	26.8
Decrease	6.9	6.9	6.7	6.2	6.3	6.1	7.0	8.1	6.7	6.8	6.6	6.6	6.3
Same	66.3	65.8	65.5	68.2	67.4	68.7	67.2	65.4	66.3	65.9	67.3	64.9	66.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.3	7.3	7.4	7.3	7.9	7.1	7.3	8.5	6.7	7.1	7.4	8.1	6.7
New	3.7	3.4	3.3	3.5	3.8	4.0	4.0	4.0	3.6	3.6	4.2	3.6	3.7
Used	2.7	3.0	3.3	2.9	3.2	2.7	2.7	3.2	2.5	2.4	2.6	3.3	2.2
Uncertain	0.9	0.9	0.8	0.9	0.9	0.4	0.6	1.3	0.6	1.1	0.6	1.2	0.8
Home													
Yes	3.7	3.1	3.8	3.0	2.9	3.1	3.2	3.4	3.3	3.7	3.5	3.1	3.3
New	1.0	1.0	0.9	0.6	1.0	0.7	1.0	0.9	0.6	1.1	1.1	0.9	0.8
Lived in	1.6	1.5	1.9	1.2	1.2	1.5	1.5	1.4	1.8	1.8	1.6	1.4	1.4
Uncertain	1.1	0.6	1.0	1.2	0.7	0.9	0.7	1.1	0.9	0.8	0.8	0.8	1.1
Major appliances													
Total plans	26.5	27.9	28.9	28.0	26.2	28.4	31.6	27.4	26.8	30.5	28.3	27.4	30.6
Refrigerator	3.6	4.1	4.3	5.4	4.9	4.3	5.4	4.5	4.6	4.4	4.0	4.1	4.7
Washing machine	4.1	3.0	3.7	3.7	3.2	4.2	4.2	3.1	3.4	4.5	3.9	3.5	4.8
TV Set	6.4	6.5	7.5	5.7	5.8	6.4	7.0	6.8	5.3	8.0	6.9	6.6	7.5
Vacuum Cleaner	3.6	4.8	4.7	4.3	4.2	4.9	4.7	5.2	5.0	4.8	5.8	4.7	4.8
Range	3.1	2.7	2.8	3.0	2.6	2.5	3.5	2.8	2.5	3.3	2.5	2.4	3.2
Clothes dryer	3.2	3.2	3.3	3.0	2.9	4.0	3.8	2.6	3.7	3.3	3.3	2.8	3.6
Air conditioner	2.3	3.6	2.6	2.9	2.6	2.1	3.0	2.4	2.3	2.2	1.9	3.3	2.0
Carpet	6.2	6.6	6.6	6.8	5.4	6.3	6.7	6.7	5.9	7.6	6.9	6.0	6.6
Vacation Intended Within Six Months: Percent													
Vacation Intended	49.1		48.5		45.3		46.8		45.7		50.2		
Destination													
U.S.	43.5		41.6		41.1		38.6		40.8		42.8		
Foreign country	10.1		8.7		8.8		8.1		8.4		9.4		
Means of travel													
Automobile	29.6		28.2		27.0		26.8		27.7		30.1		
Airplane	21.0		18.4		19.0		17.0		18.4		18.8		
Other	4.0		3.5		4.4		4.1		4.5		4.0		

(p)—preliminary (r)—revised

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 759-0900 Ext. 216.

Not seasonally adjusted	1988 Oct	Nov	Dec	1989 Jan	Feb	Mar	Apr	May	June	July	Aug	Sep (r)	Oct(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.8	4.7	4.7	4.6	4.8	4.8	5.1	4.9	4.7	4.8	4.7	4.7	4.8
Interest Rates													
Higher	71.8	65.1	78.2	73.7	71.8	79.9	76.4	69.9	57.3	52.4	44.9	52.4	55.8
Same	18.6	23.1	14.4	18.4	18.8	13.6	14.8	17.6	21.5	21.6	25.1	26.4	25.6
Lower	9.6	11.8	7.4	7.9	9.4	6.5	8.8	13.5	21.2	26.0	30.0	21.2	18.6
Stock Prices													
Increase	40.6	39.3	39.7	42.3	44.9	39.5	39.9	42.7	44.0	41.0	41.8	46.0	45.5
Same	35.0	36.0	33.3	34.7	33.5	34.3	35.9	33.3	34.6	34.9	34.7	32.7	33.2
Decrease	24.4	24.7	27.0	23.0	21.6	26.2	24.2	24.0	21.4	24.1	23.5	21.3	21.3

CONSUMER CONFIDENCE BY REGION

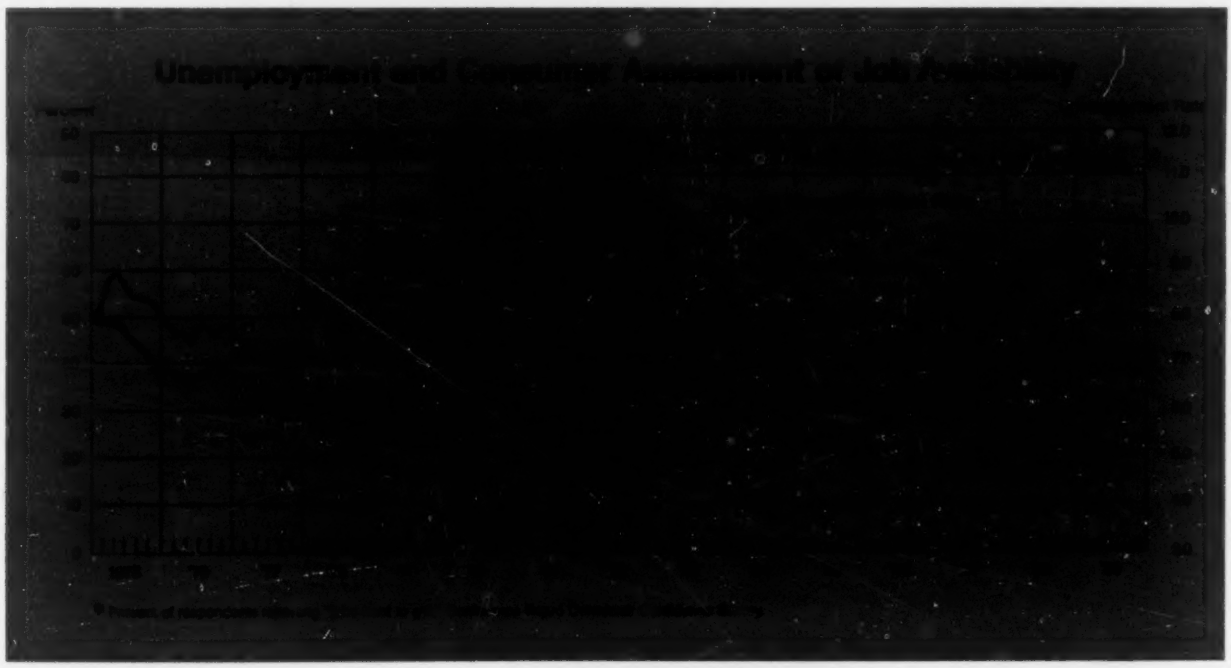
Seasonally unadjusted Index numbers 1985 = 100	1988 Oct	Nov	Dec	1989 Jan	Feb	Mar	Apr	May	June	July	Aug	Sep (r)	Oct (p)	AVERAGE Aug.-Sept.-Oct. 1988	1989	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	150.9	144.1	140.7	135.5	149.5	144.2	138.5	129.7	118.3	123.4	113.7	117.5	113.0	146.9	114.8	-21.9
Present Situation	201.3	198.0	205.6	189.5	203.7	199.5	198.3	189.4	180.0	183.9	170.0	176.7	166.0	203.9	170.9	-16.2
Expectations	117.3	108.2	97.5	99.5	113.4	107.3	98.7	89.9	77.2	83.2	76.2	78.1	77.7	108.9	77.3	-29.0
MIDDLE ATLANTIC																
Consumer Confidence Index	126.3	113.7	124.9	122.1	124.9	117.3	117.8	112.6	122.1	116.1	114.5	120.8	119.7	124.8	118.3	- 5.2
Present Situation	148.7	143.2	164.0	147.1	153.4	142.6	150.7	137.8	155.9	150.1	144.5	149.8	152.3	153.1	148.8	- 2.8
Expectations	111.3	94.1	98.8	105.4	105.8	100.4	95.9	95.8	99.5	93.4	94.5	101.5	98.0	106.0	98.0	- 7.5
EAST NORTH CENTRAL																
Consumer Confidence Index	115.0	117.6	112.9	114.9	121.9	113.8	113.9	114.9	115.3	118.2	114.1	118.0	121.7	106.3	117.9	10.9
Present Situation	129.7	145.1	139.2	131.1	135.9	130.2	132.9	137.4	137.1	144.0	140.6	142.2	148.2	125.7	143.6	14.2
Expectations	105.2	99.3	95.5	104.2	112.6	102.9	101.2	100.0	100.8	101.0	96.4	101.9	104.0	93.3	100.8	8.0
WEST NORTH CENTRAL																
Consumer Confidence Index	97.5	88.6	93.4	98.9	100.3	102.2	89.4	80.4	84.5	97.7	93.7	91.6	110.6	84.8	98.6	16.3
Present Situation	99.4	97.4	103.9	106.1	91.6	99.9	101.0	94.2	95.5	118.5	101.1	110.9	125.8	90.2	112.6	24.8
Expectations	96.3	82.8	86.4	94.2	106.1	103.8	81.7	71.2	77.1	83.9	88.8	78.8	100.5	81.3	89.4	10.0
SOUTH ATLANTIC																
Consumer Confidence Index	142.4	139.1	133.5	131.7	134.5	137.0	134.0	133.7	140.1	141.6	136.9	136.5	137.8	140.6	137.1	- 2.5
Present Situation	175.3	170.6	175.4	167.5	167.0	170.7	171.9	165.3	172.8	178.2	170.6	166.6	171.4	172.8	169.5	- 1.9
Expectations	120.5	118.2	105.6	107.8	112.9	114.6	108.8	112.6	118.4	117.2	114.5	116.5	115.4	119.1	115.5	- 3.0
EAST SOUTH CENTRAL																
Consumer Confidence Index	108.7	102.1	94.3	107.2	108.5	111.6	88.9	106.5	100.1	103.7	88.8	101.0	100.2	105.7	96.7	- 8.5
Present Situation	99.2	102.1	104.9	96.2	89.7	100.2	92.2	114.4	94.8	95.2	82.1	100.2	100.4	99.6	94.2	- 5.4
Expectations	115.1	102.2	87.2	114.6	121.1	119.2	86.7	101.2	103.6	109.5	93.3	101.6	100.1	109.7	98.3	-10.4
WEST SOUTH CENTRAL																
Consumer Confidence Index	83.8	67.3	79.7	84.6	83.8	77.0	82.6	77.4	79.0	88.5	78.4	85.9	88.2	79.6	84.2	5.8
Present Situation	42.4	27.4	34.5	30.1	35.2	30.3	38.8	44.2	46.0	59.9	41.8	45.8	50.8	34.2	46.1	34.7
Expectations	111.4	94.0	109.9	120.9	116.2	108.2	111.8	99.5	100.9	107.5	102.9	112.7	113.2	109.8	109.6	- 0.2
MOUNTAIN																
Consumer Confidence Index	92.4	91.8	106.1	76.5	86.7	100.6	92.6	90.5	91.7	82.5	85.6	98.2	95.3	87.4	93.1	6.5
Present Situation	81.1	66.5	90.9	50.0	43.7	80.4	77.3	75.1	70.6	68.1	71.2	87.7	70.9	76.0	76.6	0.7
Expectations	100.0	108.6	116.3	94.1	115.4	114.2	102.8	100.8	105.8	92.1	95.3	105.3	111.6	95.0	104.0	9.5
PACIFIC																
Consumer Confidence Index	127.7	133.7	133.7	128.2	138.2	130.0	131.3	134.9	134.6	135.3	133.5	135.6	143.9	128.7	137.7	6.9
Present Situation	156.9	169.4	170.7	157.5	164.0	157.6	165.5	173.2	171.3	171.3	170.3	173.7	181.7	159.5	175.2	9.8
Expectations	108.3	109.9	109.0	108.6	121.1	111.6	108.5	109.4	110.1	111.3	109.0	110.2	118.7	108.2	112.6	4.1

***Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers 1985 = 100	1988			1989									3 mos. Percent, Change*
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.(r)	Oct.(p)	
TOTAL U.S.														
Consumer Confidence Index	116.9	112.9	119.3	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	116.4	- 1.7
Present Situation	128.3	129.1	140.1	133.4	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.1	- 3.9
Expectations	109.3	102.0	105.6	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	105.3	0.1
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	117.8	117.0	124.6	119.3	124.3	122.3	120.5	124.2	126.8	128.9	126.7	123.0	123.9	- 1.7
35-54	118.2	114.3	120.5	117.0	122.6	118.8	121.1	115.9	122.8	121.7	119.8	115.2	115.5	- 2.7
55 and over	112.4	106.2	112.8	109.1	113.6	109.5	106.9	110.4	102.6	111.9	100.8	109.1	108.9	- 1.9
Present Situation														
Under 35	125.9	128.9	143.5	133.5	143.6	138.1	144.3	136.3	145.6	146.3	143.7	141.3	141.7	- 0.3
35-54	128.2	130.8	143.5	134.8	139.1	137.5	143.6	141.9	142.7	142.2	138.0	125.7	132.4	- 7.2
55 and over	129.8	127.6	134.6	131.8	136.6	133.6	131.8	132.9	122.7	137.2	121.2	131.7	127.3	- 3.2
Expectations														
Under 35	112.5	109.0	112.3	109.7	111.4	111.7	104.6	116.2	114.4	117.4	115.4	110.8	112.1	- 2.8
35-54	111.6	103.3	105.3	105.1	111.3	106.3	106.2	98.5	109.6	108.0	107.8	108.5	104.3	1.4
55 and over	100.6	91.8	98.4	94.2	98.6	93.8	90.5	95.4	89.1	94.9	87.1	93.9	96.6	- 0.6
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	91.8	87.8	92.5	94.0	92.2	94.1	94.0	87.1	90.3	88.9	89.6	82.3	88.0	- 2.4
$15,000-24,999	108.5	115.2	115.9	105.2	120.6	107.6	114.3	113.0	109.0	121.7	113.5	113.0	108.0	- 2.7
$25,000 and over	131.9	124.2	131.7	129.6	134.5	131.4	128.2	131.5	132.1	133.8	127.3	130.2	129.2	- 2.7
Present Situation														
Under $15,000	89.9	91.7	95.0	90.0	88.2	94.8	99.4	88.5	90.7	94.8	92.0	84.4	87.8	- 3.6
$15,000-24,999	116.8	123.0	133.2	109.5	137.2	112.4	127.0	131.0	125.1	135.3	126.6	119.2	115.4	- 7.7
$25,000 and over	151.5	149.0	161.8	162.3	164.9	164.0	163.2	162.5	159.7	163.5	154.2	154.7	155.4	- 4.4
Expectations														
Under $15,000	93.3	85.2	91.3	96.1	93.8	92.9	90.2	86.2	90.4	85.1	88.2	81.3	88.5	- 1.4
$15,000-24,999	103.1	110.0	104.7	102.0	109.4	103.7	105.7	101.0	98.3	112.8	104.9	109.3	103.3	1.7
$25,000 and over	118.6	107.4	111.5	108.4	114.8	110.3	105.2	110.9	113.7	113.8	109.3	113.8	111.5	- 1.1

***Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**



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